



MEMORANDUM

To: PLANNING COMMISSION

Date: March 27, 2007

From: COMMUNITY DEVELOPMENT DEPARTMENT

**Subject: MEASURE F POLICY RECOMMENDATION/ REVIEW PLANNING
COMMISSION SUBCOMMITTEE WORK PLAN**

REQUEST

A request to recommend approval of a policy to implement Measure F, the Downtown Building Allotment Set-aside, approved by the voters in November 2006. Also requested is review of the Planning Commission's Subcommittee Work Plan for further amendments to the Residential Development Control System (RDCS) evaluation criteria.

RECOMMENDATION

1. Adopt Resolution recommending approval of a policy establishing procedures for implementing Measure F through a competition process.
2. Review the Subcommittee's Work Plan on amendments to the RDCS evaluation criteria.

BACKGROUND

On November 7, 2006, Morgan Hill voters approved Measure F, amending the RDCS to allow Downtown housing and mixed use projects within the Downtown RDCS Boundary that were awarded allotments in March 2006 to be started and completed earlier than their allotment years. Measure F also created a set-aside of up to 100 additional residential unit allotments for projects of up to 25 units within the downtown core, defined as from south of Main, north of Dunne, east of Del Monte, and west of the railroad tracks. The Measure provides that the City Council may establish procedures for scoring and awarding the 100 allotments, which may not require a competition but which shall provide that all projects must achieve a minimum score for the project type, and which may allow for flexible project start and completion dates. In December 2006, the Planning Commission appointed a Subcommittee that, as part of its work plan was directed to prepare recommended policies and procedures for allocating the 100 units to be reviewed by the Planning Commission and forwarded as a recommendation to the City Council.

Procedures for evaluating Measure F Projects

Staff requested that the Subcommittee prepare two sets of procedures. Procedures for awarding the 100 unit allotment without a competition and procedures for awarding the allotment with a competition. As noted above, Measure F provides that “procedures for awarding the building allotment may not require a competition.” The two sets of procedures will therefore provide both the Planning Commission and City Council the option to select procedures for awarding the allotment without a competition as Measure F allows, or the option to award the allotment through a competitive process, also allowed under Measure F.

Whether or not a competition is held, Measure F does require that “all projects must achieve a minimum score for the project type.” The procedures for awarding the building allotment without a competition therefore includes evaluation of each project according to Standards and Criteria contained in Sections 18.78.200 through 18.78.330 of the Municipal Code. A Measure F project would need to obtain a minimum of 7 ½ points in Part 1 and 160 points in Part 2 of the Evaluation Criteria to be eligible to receive a building allotment.

Procedures Requiring No Competition:

Under the Procedure for awarding the allotment without a competition, staff will examine each proposed development and will rate each development by the assignment of no more than the maximum number of points allowed under each of the evaluation category. The Planning Commission reviews and makes the final award of allocations to project’s first meeting the minimum score requirement and date and time of application. The beginning filing date established for the 100 Measure F allotments would be determined by the City Council. The filing period would remain open until all allocations have been awarded.

Procedures Requiring a Competition:

The staff evaluation and scoring of each project is the same under a competitive process except that the Planning Commission shall review and confirm the scores assigned as part to the staff evaluation. The available allotment is then awarded by the Planning Commission on the basis of the number of points received in Part 1 and Part 2 of the Evaluation Criteria with the proposed development receiving the most evaluation points receiving the first of the available allotment, and proceeding down the list until the numerical limit establish by the City Council has been reached.

Distribution of the Building Allotment:

Both sets of procedures include a recommendation to distribute the 100 unit to allow up to 18 allotments to be reserved for micro projects (projects with 6 or fewer units) and up to 82 allotments for projects that are 7 to 25 units in size.

Supplemental Allotment for Downtown Competition Projects:

Currently, two projects that competed in the 2005-06 Downtown Measure C competition would be eligible to receive a supplemental allotment from the Measure F set-aside. However, this would only be possible if the allowable residential densities throughout the downtown were increased. Increasing the allowable densities from 8 to 18 units per acre to up to 40 units per acre will be considered as part of the Downtown Plan update scheduled to begin next month. Under the recommended Measure F procedures, to be eligible for a Measure F allotment the revised Downtown Competition Project must maintain or exceed the score achieved at the time of the project's initial RDCS evaluation.

Subcommittee Recommendation:

It was the consensus of the Subcommittee to recommend the Planning Commission approve the procedures for awarding the Measure F allotment by competition and adopt the appropriate attached resolution recommending the same action by the City Council. The Subcommittee felt strongly that a competition would ensure that the City would receive higher scoring, better quality developments. The procedures not requiring a competition only require a project to achieve a minimum score to receive the allotment and the allotment is awarded in order of projects received and not to the highest scoring projects. Therefore it would be possible for a higher scoring project to not receive an allotment because lower scoring projects were received first and were there first in line for the available allotment.

REVIEW SUBCOMMITTEE WORK PLAN:

When the Planning Commission appointed the Subcommittee to prepare recommended procedures for implementing Measure F, the Commission also approved the Subcommittee's Work Plan for amendments to the RDCS evaluation criteria. A Working Group consisting of two local developer representatives, one downtown property owner, a Downtown Association representative and two Parks and Recreation Commissioners was assembled to assist and work with the three member Commission Subcommittee. The Commission allowed the Subcommittee and its Working Group to add items to the Work Plan but directed that any additions to the Work Plan be submitted to the full Planning Commission for its review. The Subcommittee added an item to amend the Housing Types category to encourage higher densities in the Downtown and to adjust the scoring for the number of bedrooms to limit downtown project to provide no more than 2 bedroom units and to recognize studio apartment and condominium units. An item was also added under Parks and Paths to award points for providing a path next to the West Little Llagas Creek in the Downtown. The updated Work Plan is attached for the Commission's review.

Attachments:

1. Resolution Implementing Measure F without a Competition
2. Resolution Implementing Measure F with a Competition
3. Updated Subcommittee Work Plan

RESOLUTION NO. – No Competition

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF A POLICY ESTABLISHING PROCEDURES FOR SCORING AND AWARDING THE 100 ALLOTMENTS MADE AVAILABLE NOVEMBER 2006.

WHEREAS, the proposed policy for the implementation of Measure F was considered by the Planning Commission at their regular meeting of March 27, 2006, at which time the Planning Commission recommended approval of a policy establishing procedures for scoring and awarding of the 100 allocations provided by Measure F; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES
RESOLVE AS FOLLOWS:**

SECTION 1. The proposed policy is consistent with the Zoning Ordinance, and the General Plan.

SECTION 2. The policy is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. Pursuant to Section 18.78.030 D of the Morgan Hill Municipal Code, the City Council may establish procedures for scoring and awarding the 100 allotments made available by the voters in November 2006.

SECTION 4. The adoptions of the policy or its implementation will not result in a project as defined in Section 15378 of California Environmental Quality Act.

SECTION 5. The Planning Commission recommends adoption of the proposed policy entitled "Procedures for Scoring and Awarding 100 Measure F Allotments for the Micro, Non Micro and Currently Allocated Projects within the Downtown" as shown in attached Exhibit "A' No Competition".

Res. No.

Page 2

PASSED AND ADOPTED THIS 27TH DAY OF March 27, 2007, AT A REGULAR MEETING OF THE PLANNING COMMISSION BY THE FOLLOWING VOTE:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSTAIN: COMMISSIONERS:

ABSENT: COMMISSIONERS:

ATTEST:

APPROVED:

FRANCES O. SMITH, Deputy City Clerk

ROBERT BENICH, Chair

CITY OF MORGAN HILL CITY COUNCIL POLICIES AND PROCEDURES

CP 07

**SUBJECT: POLICY FOR ESTABLISHING PROCEDURES FOR SCORING AND
AWARDING THE 100 ALLOTMENTS MADE AVAILABLE NOVEMBER
2006.**

EFFECTIVE DATE: , 2007

REVISION DATE:

Procedures for Scoring and Awarding 100 Measure F Allotments for the Micro, Non Micro and Currently Allocated Projects within the Downtown.

It shall be the policy of the City of Morgan Hill to utilize the following procedures for awarding the 100 allocations made available through the passage of Measure F in November 2006.

Eligible Projects

New projects must meet the following criteria:

1. Must be located within the downtown core (defined as from south of Main, north of Dunne, east of Del Monte, and west of railroad tracks).
2. Mixed use or residential development consisting of a maximum of twenty five dwelling units.
3. Project must be no less than 75% of the maximum density allowed pursuant to the General Plan.
4. Project must represent the ultimate development of a parcel(s) created prior to December 6, 2006, and no further subdivision and/or residential development of the property would be possible pursuant to the General Plan and Title 18 of the Morgan Hill Municipal Code. Parcels created prior to December 6, 2006 that are adjusted or merged will be considered as created prior to December 6, 2006.
5. Must not be a currently allocated RDCS project applying for the same or fewer, number of allocations.
6. Must not be located adjacent to property owned by the same group or individual.

Currently allocated projects must meet the following criteria:

1. Must meet eligibility requirements 1& 4 above AND
2. Must currently have allocations which were granted in the 2005 RDCS Downtown Competition.
3. Must be 15 units or less.

Distribution of Allotments

Eighteen out of the 100 allocations shall be reserved for micro projects (6 units or less) 82* for large projects of 7-25 units.

* Measure F allocations awarded to currently allocated downtown projects shall be subtracted from the large project allocation set a side.

A final determination of the distribution of allotments between micro, non micro and previously allocated projects shall be determined by the Planning commission.

Development Allotment Application.

All applications for development allotments shall be consistent with Section 18.78.410 of the Municipal Code.

Micro, Non Micro and Currently Allocated Filing periods.

A beginning filing date established for the 100 Measure F allotments shall be determined by the Council. The filing period shall remain open until all allocations have been awarded.

Planning Officers' Review.

The planning officer shall review each application to determine whether or not the proposed development conforms to the city's General Plan, Downtown Plan and Title 18 of the Municipal Code. The planning officer shall notify the applicant of his/her decision within 15 days of the close of the filing period. If the planning officer determines that a proposed development does not conform to the General Plan Downtown Plan and Title 18 the application shall be rejected. If the application is rejected, an applicant may appeal the planning officer's determination in the manner prescribed in Section 18.78.100(B) of the Municipal Code. Applications which have been rejected shall lose their standing within the time/date order of applications received.

Evaluation--Standards and Criteria for Currently Allocated Downtown projects seeking to increase project density with Measure F allocations.

A. Previously allocated downtown projects which have been revised to increase the number of units shall be evaluated by the planning officer according to the standards and criteria contained in Sections 18.78.200 through 18.78.330 of the Municipal Code at the time of the project's initial award of allocation.

B. In order to be eligible for Measure F building allotments, a revised project must maintain or exceed the score achieved at the time of the project's initial RDCS evaluation.

C. Any loss in points resulting from the increase in density shall be made up by increasing project commitments within any scoring category.

D. The planning commission shall review the planning officer's evaluation and make the final award of allocations based on maintenance of initial evaluation score and date and time of application submittal.

Evaluation--Standards and Criteria for Micro Projects of 6 or Less Dwelling Units.

A. Projects will be evaluated according to the standards and criteria contained in Sections 18.78.200 through 18.78.330 of the Municipal Code.

B. In order to be eligible for building allotments, a project must receive at least **seven and one half points** in Part 1 and **one hundred fifty points** in Part 2 of the allotment evaluation. Those that fail to receive a minimum passing score will have the opportunity to improve their designs and then must reapply as a new application receiving a new date and time for submittal.

C. Each micro project application shall be evaluated by the planning officer. The Part 1 criteria shall be applied in the manner consistent with the provisions contained in Section 18.78.200 of the Municipal Code. However, under Part 2 of the evaluation, each micro project shall be assigned the following minimum scores:

Category	Minimum Score
Schools	16
Open space	12
Orderly and contiguous	2
Public facilities	5
Parks and paths	5
Housing needs	8
Housing types	12
Quality of construction	8
Lot layout and orientation	9
Circulation efficiency	8
Safety and security	5
Landscaping	7
Natural and environmental	7
Livable Communities	5
Total	109

D. The planning officer shall examine each proposed development and shall rate each development by the assignment of no more than the maximum number of points allowable on each of the following categories (highlighted above): schools, open space, orderly and contiguous, public facilities, parks and paths, housing needs, quality of construction, safety and security and livable communities.

E. The planning officer shall award allocations to projects first meeting the minimum score requirement and date and time of application submittal.

F. The planning commission shall review and confirm the scores assigned as part of the planning officer's evaluation. The planning commission shall make the final award of allocations to project's first meeting the minimum score requirement and date and time of application.

Evaluation--Standards and Criteria for Non-Micro Projects containing 7 to 25 Dwelling Units.

A. Projects will be evaluated according to the standards and criteria contained in Sections 18.78.200 through 18.78.330 of the Municipal Code.

B. In order to be eligible for building allotments, a project must receive at least **seven and one half points** in Part 1 and **one hundred sixty points** in Part 2 of the allotment evaluation. Those that fail to receive a minimum passing score will have the opportunity to improve their application and must reapply as a new application receiving a new date and time for submittal.

C. Each project application shall be evaluated by the planning officer. The Part 1 criteria shall be applied in the manner consistent with the provisions contained in Section 18.78.200 of the Municipal Code.

D. The planning officer shall examine each proposed development and shall rate each development by the assignment of no more than the maximum number of points allowable on each of the categories.

E. The planning commission shall review and confirm the scores assigned as part of the planning officer's evaluation. The planning commission shall make the final award of allocations to project's first meeting the minimum score requirement and date and time of application.

Award of Allotments.

A. Currently allocated Downtown projects which maintain their original score may be awarded allotments to a maximum of 25 allocations. Each project shall be awarded allocations on a first come first serve basis.

B. Proposed **micro developments** which have received a minimum of **one hundred fifty points** under Section 18.78.120, and **large projects** which received a minimum of **one hundred sixty points** under Section 18.78.120 shall be awarded allocations on a first come first serve basis.

Returned Allocations

Allocations which are not used due to default shall be returned to the respective competition category (micro/non micro). Applications may be filed for the unused allocations. The beginning date for acceptance of applications shall be established by the Council. Applications filed on or after that date which receive a minimum passing score shall be assigned the unused allocations on a first come first serve basis. The planning commission shall review and confirm the scores assigned as part of the planning officer's evaluation. The planning commission shall make the final award of allocations.

Appeal Procedure.

Appeals of the planning officer's or planning commission evaluation shall follow the procedures set forth in Section 18.78.400 of the Municipal Code.

Development Agreement Required.

All new projects and currently allocated downtown projects receiving Measure F allocations shall be required to enter into a Development Agreement with the City of Morgan Hill. The development agreement will require timely use of the building allotments including a performance schedule with a commencement of construction deadline.

This policy shall remain in effect until the 100 allocations are assigned and utilized by qualifying projects within the downtown core boundary or as modified by the City Council.

APPROVED:

STEVE TATE, MAYOR

RESOLUTION NO. - Competition

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF A POLICY ESTABLISHING PROCEDURES FOR SCORING AND AWARDING THE 100 ALLOTMENTS MADE AVAILABLE NOVEMBER 2006.

WHEREAS, the proposed policy for the implementation of Measure F was considered by the Planning Commission at their regular meeting of March 27, 2006, at which time the Planning Commission recommended approval of a policy establishing procedures for scoring and awarding of the 100 allocations provided by Measure F; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL PLANNING COMMISSION DOES
RESOLVE AS FOLLOWS:**

SECTION 1. The proposed policy is consistent with the Zoning Ordinance, and the General Plan.

SECTION 2. The policy is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. Pursuant to Section 18.78.030 D of the Morgan Hill Municipal Code, the City Council may establish procedures for scoring and awarding the 100 allotments made available by the voters in November 2006.

SECTION 4. The adoptions of the policy or its implementation will not result in a project as defined in Section 15378 of California Environmental Quality Act.

SECTION 5. The Planning Commission recommends adoption of the proposed policy entitled "Procedures for Scoring and Awarding 100 Measure F Allotments for the Micro, Non Micro and Currently Allocated Projects within the Downtown" as shown in attached Exhibit "A' Competition".

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ABSTAIN: COMMISSIONERS:

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ATTEST:

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ROBERT BENICH, Chair

CITY OF MORGAN HILL CITY COUNCIL POLICIES AND PROCEDURES

CP 07

**SUBJECT: POLICY FOR ESTABLISHING PROCEDURES FOR SCORING AND
AWARDING THE 100 ALLOTMENTS MADE AVAILABLE NOVEMBER
2006.**

EFFECTIVE DATE: , 2007

REVISION DATE:

Procedures for Scoring and Awarding 100 Measure F Allotments for the Micro, Non Micro and Currently Allocated Project Competition within the Downtown.

It shall be the policy of the City of Morgan Hill to utilize the following procedures for awarding the 100 allocations made available through the passage of Measure F in November 2006.

Eligible Micro & Non-Micro Projects.

Micro and Non-Micro projects must meet the following criteria:

1. Must be located within the downtown core (defined as from south of Main, north of Dunne, east of Del Monte, and west of railroad tracks).
2. Mixed use or residential development consisting of a maximum of twenty five dwelling units.
3. Project must be no less than 75% of the maximum density allowed pursuant to the General Plan.
4. Project must represent the ultimate development of a parcel(s) created prior to December 6, 2006, and no further subdivision and/or residential development of the property would be possible pursuant to the General Plan and Title 18 of the Morgan Hill Municipal Code. Parcels created prior to December 6, 2006 that are adjusted or merged will be considered as created prior to December 6, 2006.
5. Must not be a currently allocated RDCS project applying for the same or fewer, number of allocations.
6. Must not be located adjacent to property owned by the same group or individual.

Currently allocated downtown projects must meet the following criteria:

1. Must meet eligibility requirements 1 & 4 above AND
2. Must currently have allocations which were granted in the 2005 RDCS Downtown Competition.
3. Must be 15 units or less.

Allocated 2005 Downtown Projects Distribution of Allotments

Eighteen out of the 100 allocations shall be reserved for micro projects (6 units or less) 82* for large project of 7-25 units.

* Measure F allocations awarded to currently allocated downtown projects shall be subtracted from the large project allocation set a side.

A final determination of the distribution of allotments between micro, non micro and previously allocated projects shall be determined by the Planning commission.

Micro & Non-Micro Project Distribution of Allotments

Two competitions shall be held for the 100 Measure F allotments. A beginning filing date shall be established by the City Council for each competition. A minimum of 6 months shall separate the two competitions. Each competition shall include a micro project set a side for projects of 6 units or less and a large project competition for projects consisting of 7-25 units. Eighteen out of the 100 allocations should be reserved for micro projects (6 units or less) 82* for large project of 7-25 units.

* Minus any allocations awarded to previously allocated downtown projects.

The allocations for the competitions shall be divided into the following competition categories:

First competition: 12 micro allocations, 50 large project allocations*, **

Second competition: 6 micro allocations, 32 large project allocations*

* Measure F allocations awarded to currently allocated downtown projects shall be subtracted from the large project allocation set a side.

**Any unused allocations from the first competition shall be moved to the second competition.

A final determination of the distribution of allotments between micro, currently allocated and non micro projects shall be determined by the Planning commission. The Planning Commission at its discretion, may award more or less than 62 allocations during the first competition.

Micro, Non Micro and Currently Allocated Development Allotment Application.

All applications for development allotments shall be consistent with Section 18.78.410 of the Municipal Code.

Micro, Non Micro and Currently Allocated Filing periods.

The exact dates of the filing period shall be determined by the Council. A filing date for currently allocated projects may be established by the Council prior to and separate from filing periods for Micro and Non Micro projects. The filing period for each competition shall be two business days. All applications received within the two day filing period shall be reviewed by the Planning officers in accordance with this policy.

Planning Officers' Review of Micro, Non Micro and Currently Allocated applications.

The planning officer shall review each application to determine whether or not the proposed development conforms to the city's General Plan, Downtown Plan and Title 18 of the Municipal Code. The planning officer shall notify the applicant of his/her decision within 15 days of the close of the filing period. If the planning officer determines that a proposed development does not conform to the General Plan Downtown Plan and Title 18 the application shall be rejected. If the application is rejected, an applicant may appeal the planning officer's determination in the manner prescribed in Section 18.78.100(B) of the Municipal Code.

Applications are not available for public review until applications submitted during the filing period have been found by the planning officer to be complete for processing.

Evaluation--Standards and Criteria for Currently Allocated Downtown projects seeking to increase project density with Measure F allocations.

A. Previously allocated downtown projects which have been revised to increase the number of units shall be evaluated by the planning officer according to the standards and criteria contained in Sections 18.78.200 through 18.78.330 of the Municipal Code at the time of the project's initial award of allocation.

B. In order to be eligible for Measure F building allotments, a revised project must maintain or exceed the score achieved at the time of the project's initial RDCS evaluation.

C. Any loss in points resulting from the increase in density shall be made up by increasing project commitments within any scoring category.

D. The planning commission shall review the planning officer's evaluation and make the final award of allocations based on maintenance of initial evaluation score and date and time of application submittal.

Evaluation--Standards and criteria for Micro Projects of 6 or less dwelling units.

A. Projects will be evaluated according to the standards and criteria contained in Sections 18.78.200 through 18.78.330 of the Municipal Code.

B. In order to be eligible for building allotments, a project must receive at least **seven and one half points** in Part 1 and **one hundred fifty points** in Part 2 of the allotment evaluation. Those that fail to receive a minimum passing score will have the opportunity to improve their designs and reapply during the next competition.

C. Each micro project application shall be evaluated by the planning officer. The Part 1 criteria shall be applied in the manner consistent with the provisions contained in Section 18.78.200 of the Municipal Code. However, under Part 2 of the evaluation, each micro project shall be assigned the following minimum scores:

Category	Minimum Score
Schools	16
Open space	12
Orderly and contiguous	2
Public facilities	5
Parks and paths	5
Housing needs	8
Housing types	12
Quality of construction	8
Lot layout and orientation	9
Circulation efficiency	8
Safety and security	5
Landscaping	7
Natural and environmental	7
Livable Communities	5
Total	109

D. The planning officer shall examine each proposed development and shall rate each development by the assignment of no more than the maximum number of points allowable on each of the following categories (highlighted above): schools, open space, orderly and contiguous, public facilities, parks and paths, housing needs, quality of construction, safety and security and livable communities. The difference between the minimum score provided above, and the maximum score assigned in each of the aforementioned categories, shall determine a project's rating and eligibility for building allotments. In the event that two or more projects receive an equal number of points, the planning officer shall evaluate each project according to the remaining categories.

E. The planning commission shall review and confirm the scores assigned as part of the planning officer's evaluation. The planning commission shall make the final award of allocations.

Evaluation--Standards and criteria for Non-Micro Projects containing 7 to 25 dwelling units.

A. Projects will be evaluated according to the standards and criteria contained in Sections 18.78.200 through 18.78.330 of the Municipal Code.

B. In order to be eligible for building allotments, a project must receive at least **seven and one half points** in Part 1 and **one hundred sixty points** in Part 2 of the allotment evaluation. Those that fail to receive a minimum passing score will have the opportunity to improve their designs and reapply during the next competition.

C. Each downtown core project application shall be evaluated by the planning officer. The Part 1 criteria shall be applied in the manner consistent with the provisions contained in Section 18.78.200 of the Municipal Code.

D. The planning officer shall examine each proposed development and shall rate each development by the assignment of no more than the maximum number of points allowable on each of the categories.

The planning commission shall review and confirm the scores assigned as part of the planning officer's evaluation. The planning commission shall make the final award of allocations.

Award of allotments.

A. Currently Allocated Downtown projects which maintain their original score may be awarded allotments to a maximum of 15 allocations.

B. Proposed **Micro developments** which have received a minimum of **one hundred fifty points** under Section 18.78.120 and **Non micro projects** which received a minimum of **one hundred sixty points** under Section 18.78.120. The available allotments shall be awarded by the planning commission on the basis of the number of points received in Section 18.78.120 starting with the proposed developments receiving the most evaluation points and proceeding in order down the list until the numerical limit established by the council has been reached. Where allotments are made on the basis of a comparative standing on the list, any applicant who has received the required minimum number of points, but who is not high enough on the list to receive a development allotment, may appeal the final project score to the city council.

Unused Allocations for Micro and Non Micro projects.

After the conclusion of the second competition, micro or non micro applications may be filed for any unused allocations. The beginning date for acceptance of after competition applications shall be established by the Council. Applications filed on or after that date, which receive a score at least equal to the lowest successful score in the prior respective competition shall be assigned unused allocations on a first-come first-serve basis.

Allocations which are not used due to default shall be returned to the respective competition category (micro/non-micro). Micro and Non-Micro project applications may be filed for the unused allocations. The beginning date for acceptance of applications shall be established by the Council. Applications filed on or after that date which receive a score at least equal to the lowest successful score in the prior respective competition shall be assigned the un-used allocations on a first come first serve basis.

Appeal procedure.

Appeals of the planning officer's or planning commission evaluation shall follow the procedures set forth in Section 18.78.400 of the Municipal Code.

Development Agreement required for Micro, Non-Micro and supplemental allocations awarded to 2005 Downtown projects.

All projects receiving allocations shall be required to enter into a Development Agreement with the City of Morgan Hill. The development agreement will require timely use of the building allotments including a performance schedule with a commencement of construction deadline.

This policy shall remain in effect until the 100 allocations are assigned and utilized by qualifying projects within the downtown core boundary or as modified by the City Council.

APPROVED:

STEVE TATE, MAYOR

Work Plan for 2007 Planning Commission RDCS Subcommittee

Procedures for evaluating Measure F Projects

Measure F created a set-aside of up to 100 additional residential unit allotments for projects of up to 25 units within the downtown core, defined as from south of Main, north of Dunne, east of Del Monte, and west of the railroad tracks. The Measure provides that the City Council may establish procedures for scoring and awarding the 100 allotments, which may not require a competition but which shall provide that all projects must achieve a minimum score for the project type, and which may allow for flexible project start and completion dates. As the first priority in the subcommittee's work plan policies and procedures will be prepared for allocating the 100 units.

Part 1 Scoring Criteria

Streets and Parks:

Zero to 2 points are awarded based on a project's proximity to a city park. Distance from parks and the need to cross an arterial street need to be considered in the award of points (and whether consideration of this issue should be parallel to distances from a school and the need to cross an arterial).

Part 2 Scoring Criteria

Schools Category:

Criterion B1 – Payment of School District adopted developer fees. The School District recently increased the District's schools facilities fee from \$3.09 to \$4.95 per square foot. Points assigned to projects for payment of this fee in the Schools category will need to be reconsidered.

Criterion B4 – Change the requirement that on-site community rooms must be "specifically designed for . . . after school educational programs." During last year's Downtown Measure C competition, the Commission agreed that community rooms for after school programs do not need to meet the 960 square foot minimum room size required by the School District for school classroom instruction. Also, the School District did not provide this standard prior to the competition.

Open Space:

Criterion B1e – Should projects continue to receive the maximum two points for providing a plaque or other marker of an historical site versus maximum points for preserving and maintaining an historical site.

Criterion B2 – Change the building coverage definition to allow podium level courtyards that are open above to not count as part of the building coverage, or amend to award partial credit (60%) that the Commission agreed to award in last year's competition.

Criterion B3 – Allow double payment of open space in-lieu fees to be used for maintenance of open space lands.

Public Facilities:

Criterion B2f – Should a minimum dollar value be applied to public art to receive points under this criterion.

Criterion B2g – Change “Public Facilities Non-AB 1600 fund” to Measure C Capital Improvements fund. The change will clarify that these funds are applied to capital improvements (streets and infrastructure, etc., and not public buildings).

Parks & Paths:

Criterion B2 – Review the site recreation amenities list and point values as it would apply to vertical mixed use and higher density developments.

Criterion B4a – Consider amending to better define mid block pedestrian connections.

Criteria B6 and B7 – Review the points awarded for payment of park in-lieu fees when a developer is eligible to receive reimbursement of a portion of those fees as credit for providing private parks and on-site recreation amenities.

Amend the scoring criteria to award points for providing a path next to the West Little Llagas Creek in the Downtown.

Housing Needs:

Criterion B2 – Clarify that non restricted moderate rate units must be sized to sell at market to a moderate income household. Also, that the final sales price of the dwelling units at close of escrow shall be based on HUD income guidelines.

Criterion B6 – Edit: Change the reference in the first sentence from B3 to B4.

Housing Types:

Amend the scoring criteria to encourage higher densities in the Downtown and to adjust the scoring for the number of bedrooms to limit downtown project to provide no more than 2 bedroom units and to recognize studio apartment and condominium units.

Quality of Construction:

Criterion B1 – Clarify that single building projects are eligible to receive the point because there are no elevation repeats. Specify that the building elevations must include provide variations. The issues came up with the Gunter Building on Monterey Road and two other projects.

Include criteria that will set goals for renewable energy, allow double plumbing for recycle/grey water use.

Natural and Environmental:

Add criteria that will address Commissioner Davenport's objectives of restricting use of hazardous materials and stewardship.

Workshop with Developers on Impact Fees:

Local developers have requested a workshop to discuss the fee impact issue. It is recommended the subcommittee invite developers to discuss their concerns with subcommittee during the working group meetings. The recommendations of the subcommittee regarding impact fees will then be considered by the full Commission as part of a workshop addressing all of the recommended changes to the evaluation criteria. Staff will also report on the Redevelopment Agency's consideration to reduce traffic impact fees city-wide and lower sewer connection fees for projects within the RDA project area.